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C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 000811

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SUBJECT: Ambassador meets with Liberal Party leadership

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CLASSIFIED BY: Scott Bellard, PolMinCouns, State, POL; REASON:
1.4(B), (D)

¶1. (C) Summary. In a luncheon on October 23, Ambassador discussed key bilateral issues, notably ""Buy America"" and climate change policies, with Liberal Party leader Michael Ignatieff and key staff. Ignatieff reiterated that Canadians do not want an election now, but said that he could not be sure how long another political party would prop up the Conservatives. End Summary.

¶2. (SBU) Ambassador on October 23 hosted the Leader of the Official Opposition, Michael Ignatieff of the Liberal Party, along with chief of staff Ian Davey and Liberal Foreign Affairs Critic Bob Rae. (DCM and PolMinCouns also attended.) Ignatieff extended a warm welcome to the Ambassador, and praised the Ambassador's early efforts to visit as much as Canada as possible. Ambassador commented in particular on the amazing extent of Canada's boreal forests, while Ignatieff noted the inherent challenges of governance in a country as huge and diverse as Canada, especially its Arctic territories. He pointed out that the Member of Parliament for the Yukon territory had responsibility for an area about as big as France.

¶3. (C) Ignatieff compared U.S. and Canadian border policies unfavorably with those within the European Union, and pondered whether we might not realize in 20 or 30 years that we had not done enough to promote the inter-connectivity of our economies. DCM noted the loss of national sovereignty that the EU members had accepted as the price for this union, which neither Canadians nor Americans were willing to accept. Ignatieff inquired what the U.S. was doing to reverse the ""Buy America"" provisions in recent U.S. legislation, and the Ambassador described the ongoing dialogue, without revealing specifics of the proposals. Ignatieff underscored the huge importance to both countries of our bilateral trade, and admitted that Canada needed to do more to get U.S. companies with a stake in free trade with Canada to speak out to the U.S. Congress.

¶4. (C) Ignatieff asked about the status of U.S. energy and climate change legislation and the prospects for the Copenhagen Summit. Ambassador highlighted the historic importance of the ongoing U.S. debate on health care, calling it one of the most critical pieces of legislation in generations, while admitting that it had made the passage of these other bills less likely until sometime in early 2010. He predicted that debate on those bills would likely be less partisan and more geographical than on the health care bill. Ignatieff said that this would be true for Canadian policies on energy and climate change as well. Ignatieff pointed to the perception in Canada that the current government of

Conservative Prime Minister Stephen Harper was letting the U.S. take the lead on cap-and-trade and other environmental policies rather than crafting Canadian policies. He admitted that the Liberals under previous leader Stephane Dion had taken a sharp political hit for what the Conservatives were able successfully to tag as a ""carbon tax"" proposal in the 2008 campaign.

¶5. (C) Rae raised the case of Canadian detainee in Guantanamo Bay Omar Khadr, expressing regret that he had not had time to discuss on October 22 with Deputy Secretary Steinberg (septel). He expressed special concern that the U.S. would announce its decision on how to proceed with this case before the Canadian Supreme Court heard arguments in the government's appeal of a Federal Court decision ordering the government to seek Khadr's repatriation (ref b). DCM downplayed the significance of this timing, noting that these were two separate issues.

¶6. (C) When asked about the prospects for an election, Ignatieff reiterated that Canadians clearly did not want an election now. He nonetheless emphasized that the Liberals had indeed lost confidence in the Conservative government, but noted that ""another political party"" (i.e., the New Democratic Party) had chosen to prop it up. He said that he could not predict how long this party would be willing to do so.

¶6. (C) Comment: The dynamics between one-time friends and later
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rivals Ignatieff and Rae remain clearly tense, with Rae arriving late and then immediately dominating the conversation, while Ignatieff sat back almost meekly. Rae was by far the more forceful and eloquent of the two and showed little deference to his party chief, without at any time displaying any rudeness or personal animosity. He came across as better read and more substantive than Ignatieff, who stuck mostly to pleasantries and generalities.
JACOBSON